

AUSTRIAN INFORMATION

PUBLISHED BY THE

AUSTRIAN INFORMATION SERVICE

31 EAST 69th STREET • NEW YORK 21, N.Y. • TELEPHONE: LEHIGH 5-4120

RECEIVED
DOCUMENTS DIVISION

Vol XIII, No. 5

March 26, 1960

CHANCELLOR RAAB STATES AUSTRIAN ECONOMIC POLICY

Austrian Chancellor Julius Raab recently made the following declaration regarding his government's economic integration policy:

I have repeatedly pointed up the importance of European economic cooperation but also the difficulties which will emerge from it for all states in various economic fields. The necessary changes have not yet been foreseen to their full extent by anybody, and thus it is more essential than ever to progress cautiously in our own economic sphere. Economic, social and political points of view overlap and influence each other; and while the effects will probably be very profound for Austria, too, they can be estimated only very inaccurately. Not last, the decision is made even more difficult by the fact that the advantages and disadvantages of European cooperation are distributed very differently among the various economic branches and provinces. The many-sidedness of the

aspects to be considered also explains why no event since (the signing of) the State Treaty has moved Austrian public opinion so much as joining the European Free Trade Association.

It must be clear to everyone that Austria must join a large-scale economic organization because in addition to the existing large-scale economic powers such as the United States, the Eastern Bloc and the British Commonwealth, the Latin-American nations are now striving for close economic cooperation and possibly Africa may shortly embark on a similar development.

Austria has joined the European Free Trade Association because this organization guarantees a high measure of self-determination and freedom of economic movement, but it has also done so because of geographical and political considerations. In any case, we are striving for the closest possible cooperation of these seven nations with the six nations of the European Economic Community. Naturally we are seek-

EFTA Offers To Talk Integration With EEC

The governments of the countries which are members of the European Free Trade Association - EFTA - believe that discrimination among the two European economic groups must be avoided. They believe that nothing must be done that might speed up or strengthen any possible splitting-up of Europe. According to latest reports, the governments of the seven EFTA states are willing to discuss with the six states of the European Economic Community - EEC - and other states what could be done regarding an extension of the tariff reduction which the EFTA members intend to make effective next July 1. The premise for such negotiations is the EEC's readiness to grant the EFTA nations the same conditions which the EFTA would offer the EEC countries.

The offer for negotiations was contained in a communique issued March 12 following a meeting of the EFTA ministers in the Vienna Hofburg. The document said that the seven governments represented in the EFTA were ready to pave the way for these talks at the forthcoming trade meeting in Paris. They suggested that effectiveness of the tariff reduction in other countries be at first limited to the period ending December 31, 1961. It might be considered later whether the progress achieved by then could be used as a basis for a general European solution of the economic problem.

Industrial Nations' Responsibility for Underdeveloped Nations

All European countries are to be given time to investigate the means for a joint advancement of European economic integration. The great industrial countries bear great responsibility vis-a-vis the less developed areas.

Discriminations between the two economic groups in Europe which are already apparent must be eliminated. However, the rights of third parties must be preserved and Europe's economic progress must be retained.

Next Conference in Lisbon

The ministers, at their Vienna meeting, acknowledged receipt of reports on the establishment of an EFTA secretariat in Geneva and expressed their satisfaction over the work done by the EFTA expert committees. A proposal by the Austrian delegation to investigate closer cooperation among the different customs administrations and the various tariffs was approved.

Finnish membership in the EFTA was to be discussed at a March 22 meeting in Geneva. The ministers also decided to hold the next EFTA ministerial conference in the middle of May in Lisbon.

(Continued on page 3)

ing this by way of a solution which is to be found between the six nations of the EEC and the seven of the EFTA for the specific reason that within a group of states we shall be able to give more weight to our efforts than we could if Austria tried by itself to regulate its economic relations with the six states of the EEC.

Maintenance of Freedom and Independence

This policy of the federal government was unanimously approved by the coalition parties. Of course, there was some public criticism here and there. If one investigates this criticism a little further, it can be shown that in most cases short-term economic motives were decisive for the critical stand and that in such criticism the interests of individual areas or economic branches find expression. However, the federal government was brought to its decision by long-term economic and political considerations.

In the discussion about future economic integration in Europe it was often forgotten that in any kind of cooperation hardships ensue at first for certain areas or economic branches while for others there will be advantages. On a purely economic basis it will thus never be possible to reach a meeting of minds on which way to go. For this reason, only the total economic interest as well as the maintenance of the only recently won freedom and independence can be decisive.

Those circles which strive for the closest possible collaboration of Austria with the European Economic Community have above all the export interests in mind, but they only too often overlook or belittle the economic danger which threatens from freeing imports, although Austria, especially, will be subject to much more pressure of increased imports than any other European nation because of its above-average high tariff and the many factors it faces in the retrenchment of economic obstacles. The Austrian economy should, therefore, similarly to what Switzerland is doing, think of the following:

One of the advantages of the EFTA treaty is that the first tariff reduction takes place in a relatively narrow sector of the economy and that therefore important experience may be gathered. This is the more important as at the same time Austria has undertaken a faster reduction of still existing contingents the elimination of which would increase the import of finished goods, especially from the Federal Republic of Germany. But Austrian exports are in great measure raw materials and semi-finished goods which already have lower tariffs and whose export cannot be arbitrarily increased as in the case of lumber or paper. An increase in exports can become possible here only if we can achieve an improvement in export value by an increase of manufactures, and for that considerable investment will be necessary.

Towards a New Economic Structure

Austrian foreign trade changes very much less because of price than because of the economic situation in foreign countries. In a time of international full employment such as we currently have, Austrian exports increase by leaps and bounds. Thus it does not suffice to estimate correctly the effects of tariff reductions; it is rather more important to bring about these reductions at a time when the economic

situation is favorable. Unfortunately, especially in the case of many industrial finished goods, Austria is a border-line producer who obtains sudden large orders only when the delivery dates of other countries' own industries run too far into the future. Since many Austrian industrial branches export a high percentage of their production, export fluctuations are of great effect upon production. Because of the smallness of the country, on the other hand, Austria's active influence upon the economic situation of other countries is extremely weak. The Austrian economy thus moves to a large degree in the wake of the international economic situation, and its own economic policies become the more limited the more it reduces contingents and tariffs.

However, the Austrian economy will be decisively marked in the future by the great conversions in the European and world economies which today are only in their early stages. Medium and small enterprises will, however, remain in business to a large degree as shown by events in the United States, but this is because they produce with greater capital intensity, more efficiently and with more specialization.

The great concept of integration of the European economy seems at first glance to be threatened by the establishment of the two economic blocs of the Six and the Seven. An economic war between these two blocs would — through incorrect and inexpedient accommodation of production — impair the growth of the entire European economy and the increase in the standard of life. It is clear that the countries most affected in such a fight will be the small nations of Europe, because they depend much more on foreign trade and because a larger part of their domestic production will be hit by conversion. We believe, however, that economic reason will conquer and that a great all-European solution will be found.

Thus it will be understood that this still undecided economic development of Europe, the uncertainty as to which road should be chosen (and here Austria can join in making the decisions only in a modest way) forces us to special caution in our economic policy as a whole. Every adventure which we join today may haunt us in the future. It is very unpopular to appeal to reason and moderation. But to make such an appeal, I consider my duty in the present moment.

U.S. DEFENSE SECRETARY ON AUSTRIA VISIT

Thomas S. Gates, U. S. Secretary of Defense since late 1959, will visit Austria from March 25 to 29 to return a visit by Austrian Defense Minister Graf. During his stay in Austria, Gates will attend Alpine maneuvers in the Tyrol.

KAMITZ IN SPAIN

Austrian Finance Minister Kamitz made a brief visit to Spain earlier this month. He had talks with Spanish Finance Minister Navarro Rubio and Commerce Minister Ullastres. Since Spain recently facilitated investments of foreign capital in the Spanish economy, the talks included possibilities of Austrian investments in Spain.

KHRUSHCHEV TO VISIT VIENNA

According to semi-official Austrian sources, a visit to Vienna by Soviet Premier Nikita Khrushchev is a distinct possibility. While no time for the expected state visit has been set yet, these sources believe it will take place earliest in July and latest next fall.

Khrushchev was invited to visit Austria when Austrian Chancellor Julius Raab was in Moscow during the summer of 1958. After Khrushchev's acceptance, several dates were discussed but no firm decision was made.

The Soviet premier's travel plans do not permit any new commitments before late June or early July. Khrushchev will be busy with preparations for the summit conference which is scheduled to begin in mid-May and probably will last at least 10 days. President Eisenhower's visit in Moscow will keep Khrushchev at home for at least two weeks.

Thus, Khrushchev's visit in Austria hardly can be expected until after Eisenhower's departure from Russia. And if other affairs intervene, the Soviet premier's Austrian tour might have to be postponed until September or October.

AGREEMENT ON COMPENSATION FOR ANGLO-AMERICAN OIL COMPANIES

Long negotiations between the Austrian government and representatives of the Mobil Oil and Shell Companies and their joint subsidiary "Rohoelgewinnungs A.G.", recently resulted in agreement. Final action on the execution of the so-called Vienna Memorandum is expected now that the contract has been initialled.

The Vienna Memorandum committed Austria in principle to compensate the two oil companies (and/or their subsidiary known as RAG) for the loss in 1938 of their prospecting rights in Lower Austria. Following the signing of the Austrian State Treaty, the oil companies were restored to ownership of the refineries in Vienna-Kagran and Vienna-Floridsdorf as

well as of the pipeline from the oilfield to the Danube port of Lobau.

Partial compensation for their loss of the prospecting rights was achieved by granting the two companies similar concessions in Upper Austria. The government at the same time transferred to RAG the gasoline stations which had belonged to the former German Gasoline Company.

Under the new agreement, Austria will pay RAG \$13.7 million in six annual installments. But this amount is to be used mostly to pay the capital cost for RAG's oil prospecting rights in Austria. This arrangement was made as a substitute for the participation the two companies had sought in the production of the Austrian Petroleum Administration.

The agreement also included clauses regarding future cooperation of Mobil Oil, Shell and RAG with the Austrian Petroleum Administration. Austria was particularly interested in securing full production for the Administration's new refinery which is now under construction at Schwechat. Under the clause, both RAG and the Administration will process their total Austrian crude oil output at the Schwechat refinery. Excluded are the Austrian Petroleum Administration's unrequited deliveries to the Soviet Union and that part of RAG's production which has been earmarked for Shell's Floridsdorf plant and Mobil Oil's Kagran refinery.

In case, the Austrian oil production should not suffice to keep Schwechat at maximum capacity, necessary oil imports will be made under special agreement by the parties to the contract to satisfy the demands of the new plant.

A new private corporation will be formed in the near future to implement the agreement. This company — a crude oil utilization project — is expected to be in business for a period tentatively set at 10 years. The Austrian Petroleum Administration will hold 74% of the new company's shares while the foreign companies, represented by RAG, will hold 26%.

EFTA OFFERS TO TALK INTEGRATION WITH EEC (Continued from page 1)**Kreisky Comments**

Following publication of the communique, Austrian Foreign Minister Bruno Kreisky commented in an interview that the Vienna EFTA conference had made more progress than the EEC conference in Brussels. He said that while the EEC ministers had approved the principle of speeding up the activation of the EEC agreement, no concrete results had come about yet. On the other hand, the EFTA in Vienna has worked out a concrete concept, Kreisky declared.

The EFTA, he said, had made an offer to the EEC which the EEC can accept. The decision now rested with the EEC, he added. The EFTA had shown its value as a negotiating instrument; its seven members are of one opinion and will go into the forthcoming negotiations as a unit, Kreisky said.

He then added: The EFTA has a common tactic: it avoids provocative formulations, makes no attacks and gives no ultimatums but leaves the door open for negotiations. At the moment it is necessary to avoid discriminations, for the

larger the rift between the EFTA and the EEC becomes the harder it will be to bridge their difficulties. Dr. Kreisky hailed the proposals made at the Vienna meeting as "acceptable, pertinent proposals toward an understanding."

Dr. Pittermann Comments

In a radio talk, Austrian Vice Chancellor Pittermann said that it was somewhat regrettable that it was not possible to induce all of the nations working for European integration in the OEEC, jointly and immediately to take steps toward tariff reduction and elimination of trade barriers, but he said this need not be a serious obstacle in the efforts towards European economic cooperation. The difficulties could be mitigated, he added, if an agreement were reached between the countries of the European Free Trade Association and those of the European Economic Community which would enforce the several measures at the identical speed and allow nations outside the two economic groups to participate in the tariff reduction.

KREISKY ENDS BELGRADE VISIT

At his departure from Belgrade where he was a guest of the Yugoslav government, Austrian Foreign Minister Bruno Kreisky said recently that "existing differences in social and political organizations of the two countries, as well as differences in the appraisal of certain international problems, do not represent obstacles to the development of cooperation and good neighborly relations."

Austria and Yugoslavia said in a joint communique issued at the end of Kreisky's four-day stay in Belgrade that they agreed on a number of international issues, including disarmament, relaxation of international tension, the summit meeting and aid to underdeveloped nations.

During his visit in Yugoslavia Kreisky met with President Tito at Brioni Island and held talks with Yugoslav Foreign Minister Koca Popovic and other government officials in Belgrade.

FAVORABLE ECONOMIC TRENDS

A provisional economic report published by the Austrian Laenderbank in its Economic Bulletin shows that the year 1959 was a year of great upswing for the Austrian economy. As the report said "the pessimists' fears were not confirmed and the optimists' expectations were exceeded."

Last year's economic growth in Austria took the opposite direction from the road it had traveled in 1958. In that year, industrial production showed a 2.9% rise in spite of the international recession and in spite of unfavorable forecasts. However, in 1958, the year-to-year growth ratio had steadily declined from 6.3% in the first quarter to .2% in the fourth.

Although the U.S. depression had largely been overcome by the end of 1958, forecasts for 1959 were cautious because it was expected that the effects of the American recession might take some time before becoming fully recognizable in certain regions of Europe. This resulted in a certain loss of acceleration in the expansion of the Austrian economy, the report said.

However, early in 1959 speedy and important gains were recorded and more than maintained throughout the rest of the year, so that the ratio of industrial production growth returned to a steady climb, the exact opposite of the results of the previous year.

Industrial production which during the first quarter of 1959 surpassed the 1958 level by only .3% per working day, showed a growth ratio of 2.9% in the second quarter and of 4.6% in the third quarter. While no final figures are as yet available for the final three months of 1959, all estimates strongly support the belief that the growth ratio has increased even further.

The Bulletin of the Austrian Laenderbanks then compared figures for Austria's gross national product in terms of real values for 1958 and 1959. In the earlier year, it had risen by 2.5%. Estimated growth for 1959 shows .5% in the first quarter, 4.2% in the second and 4.8% in the third. All indications show a gain of at least 5% in the final quarter. The average for 1959 would roughly be twice of the 1958 growth.

The report finally states that on an international basis Austria's economic development compares very favorably with the states of Western Europe.

VIENNA SPRING FAIR A HUGE SUCCESS

The Vienna Spring Fair which opened March 13 was headed for a new record, reports from the Austrian capital indicate. Although spring fairs, as a rule, show less participation than autumn fairs, the 1960 Spring Fair has outdistanced the record number of exhibitors achieved in Vienna's Fall Fair last year.

The 1960 Spring Fair plays host to 4,446 firms represented by 3,815 exhibitors. Of these 2,845 exhibitors are Austrian and 970 who represent 1,619 firms come from European and overseas countries.

For the first time, this year's Spring Fair shows a number of official foreign collective exhibits. Belgium, Britain, Luxembourg and the Netherlands have arranged for these special shows. The Eastern nations - Czechoslovakia, Yugoslavia, Poland, Hungary and Eastern Germany - are also well represented. Buyers came from 60 different nations.

AUSTRIAN GLASS

A recent monthly bulletin published by the Austrian Laenderbanks reports that steady expansion is taking place in the Austrian glass industry. It mentions the Moosbrunn Glass Works - with headquarters in Vienna - as the only plant in Western Europe manufacturing figured glass. In this type of glass, the firm is using methods under license as well as developments under its own patents. Figured glass, the report explains, is a building material which permits the construction of continuous glass sheets without supports or cross bars. The firm manufactures 1,500 square meters of figured glass daily. (One square meter equals 1.196 square yards Ed.)

The Bulletin also reports that the plate glass production of the Mitterberg Glass Works in Salzburg has been completely changed over to electric operation. Only one other electrically run glass plant exists in Europe so far.

Statistically, the Bulletin finds that Austria's annual per capita consumption of plate glass has risen from one square meter in the early postwar years to the current 1.6 square meters. A further gain is expected. Much of the Mitterberg output is exported to the United States.

LINZ TURNS INTO OIL CENTER

The port of Linz on the Danube is turning ever more into an important crude oil distribution center. New storage space has recently been put into operation, making the port an important link in Austria's oil flow apparatus. The Linz center encompasses an area of 60,000 square meters, and will grow with further needs. (One square meter equals 1.196 square yards. Ed.) The Mobil Oil Austria Co. alone uses an area of 20,000 square meters on which three large storage tanks and a number of smaller ones have already been erected with more to come. The existing installation has a storage capacity of 4,500 cubic meters. (One cubic meter equals 1.308 cubic yards. Ed.) The area set aside for oil storage and shipping installation is almost a half of the entire harbor area.

AUSTRIAN FINANCES

Savings deposits in Austria increased by about 5.5 billion schillings in 1959, a recent economic report shows. The growth rate exceeded that of 1958 and brought total savings deposits to 26,820,000,000 schillings at the end of last year. This represents an increase of roughly 25% over pre-war deposits in terms of comparable purchasing power. (About 26 schillings equal one dollar. Ed.)

Checking accounts increased by 1.5 billion schillings to a total of 20,200,000,000 schillings. Thus the total increase for savings deposits and checking account deposits came to 7 billion schillings in 1959 and the grand total of deposits to 47 billion schillings.

Credit expanded considerably last November when commercial credits increased to 1 billion schillings, nearly 700 million schillings more than in the previous month.

Also during 1959, the volume of commercial loans went up by 5.5 billion schillings and reached a total of 37,170,000,000. Total bank loans, including reconstruction loans and surplus agricultural commodity credits, amounted to 43,970,000,000.

The rise in business activity led to an expansion of money volume by about 2 billion schillings and reached a total of almost 39 billion. The 1959 increase amounted to about 5% and was almost identical with the nominal increase of the gross national product.

Total banknote circulation, including demand liabilities, increased about 2% to 23,240,000,000 schillings. (Circulation indicates the extent of the demand for payment media from the Central Bank.) Total circulation was 75% covered by gold reserves and foreign exchange reserves.

Foreign currency holdings of the Austrian National Bank rose by 310 million schillings in 1959. This is considerably less than the 1958 increase and is attributable to higher merchandise imports and a falling-off of capital imports.

Gold reserves stood at 7,530,000,000 schillings at the end of 1959, having gained 2,520,000,000 schillings during the year. Holdings of foreign exchange and currency decreased by 2,210,000,000 schillings to 10,050,000,000 schillings. However, the proportion of gold in total holdings has risen from 29% to 43%.

Foreign exchange continued its outflow throughout December. The Central Bank was divested of 566 million schillings during that month. Reserves had not suffered such a decline since 1954. On the other hand, foreign exchange receipts from tourist traffic amounted to 5¼ billion schillings in 1959, almost a billion more than in 1958.

New government bond issues and flotations by electric power companies produced 4,420,000,000 schillings through the capital market. This was two-thirds better than the result of the previous year. Outstanding mortgage and municipal bonds increased by 350 million schillings to a total of better than 3 billion.

The capital market during the same year disposed of 5,165,000,000 schillings in new fixed-interest securities as

against 2,627,000,000 in 1958. Federal loans accounted for 3.1 billion schillings, power loans for 1,450,000,000 schillings and mortgage and municipal bonds for 615 million schillings. The interest rate on new bond offerings declined in 1959 from 7% to 6¼%.

Since the middle of last December, certain classes of treasury bills have been quoted on the Vienna Exchange. This means an improvement in the facilities of the local money market. The interest rate is thus influenced by supply and demand rather than dictated. Previously dealings in treasury notes had been limited to banks. At the exchange, the smallest treasury denomination was 500,000 schillings and all quotations were at par. Treasury bills with six months to go carry nominal interest of 4.75%.

The Counterpart Funds loan program, scheduled in mid-1958 for the 1958-1959 fiscal year, provided for 850 million schillings, including 446 million for industry, 79 million for small business and 325 million schillings for miscellaneous projects. Altogether 163 million schillings less was provided in 1959 than the previous year.

A breakdown of the industry loans under this program follows:

(In million schillings; 26 schillings equal one dollar)

| | | | |
|----------------|-----|------------------|----|
| Power | 205 | Lumber | 15 |
| Metal Working | 54 | Chemical | 12 |
| Coal | 35 | Electrical | 12 |
| Textile | 35 | Non-Ferrous | |
| Iron & Steel.. | 27 | Metals | 10 |
| Paper | 16 | Miscellaneous | 25 |

The Credit Control Commission approved about two thirds of this program so far and the funds were made available to these industries.

Finally, the Economic Letter published by the Creditanstalt-Bankverein reported that the turnover on the Vienna Stock Exchange in 1959 totalled 589,400,000 schillings' market value compared with 243,600,000 in 1958. The gain in 1959 amounted to 142%. Share transactions were 213% higher and bonds 68.4% higher than in 1958. The livelier interest was attributed mainly to German and Swiss buyers and to greater activity among domestic investors.

AUSTRIAN AIRLINES DID WELL

Austrian Airlines (Austrian Air Transport Company - AUA) had a very successful year in 1959, an Austrian Laenderbank economic report related. Compared with 1958, last year's AUA economic curve went steadily upwards. During 1959, AUA carried 74,000 passengers, more than a million pounds of freight and roughly 350,000 pounds of mail. Over the year as a whole, the carrier's capacity was used at 40.1%.

Flying operations were carried out without accidents. The airline's four Vickers Viscounts operated under the highest international standards as far as keeping to schedules was concerned. Currently, AUA serves 14 cities in 11 countries. Last December, the two-year old airline welcomed its 100,000th passenger.

TEXTILE INDUSTRY RECOVERING

While the first nine months of 1959 showed a certain amount of recovery for the Austrian textile industry, real acceleration did not become obvious until the end of 1959 when business prospects increased favorably by leaps and bounds. At the beginning of December, 1959, the West Austrian cotton industry had contracted for its entire production of staple fiber and cotton grey fabrics through the third quarter of this year. Export orders for 1960 came mainly from the Federal Republic of Germany which last year purchased a third of Austria's cotton fabrics exports. Large quantities have also been ordered by the Belgian Congo.

The woolen industry appears also to have surmounted the last vestiges of the recession; it started up ahead early in 1959 with worsteds and from September with carded yarns. In the third quarter of 1959, production of worsteds and carded yarns increased by 13% and 4%, respectively, over 1958 output.

The Austrian clothing industry now exports more than a tenth of its production. Its customers are in 84 different countries.

STAPLE FIBER PRODUCTION

Austria's only producer of staple fiber, Zellwolle Lenzing Corporation, produced 51,700 tons in 1959 as against 46,303 tons in 1958. Exports rose from 29,800 tons to 31,300 tons. The United States and West Germany were the most important buyers. Last year's total production gives Austria sixth place among the world's staple fiber producers. Among exporting nations, Austria ranks second in this product.

AUSTRIAN POWER PRODUCTION

Electricity

Provisional figures put the 1959 output of electric power plants under public ownership at 12,179,000,000 kilowatt hours, or 10.4% more than in 1958, a report published in the latest monthly Bulletin of the Austrian Laenderbanks disclosed. Of the total 9,613,000,000 kwh (+4%) was produced in hydraulic plants, and 2,566,000,000 kwh (+43%) came from thermal stations. Imports of electric current declined by 23% to 508 million kwh out of which 242 million kwh was for storage. Total available electric current thus amounted to 12,687,000,000 kwh, a gain of 8.5% over the 1958 total of 11,695,000,000 kwh. Exports amounted to 2,421,000,000 kwh (+20.6%), leaving 10,266,000,000 for use in Austria.

Oil

In 1959, Austria produced 2,458,784 tons of crude oil compared with 2,836,396 in 1958. The decline amounted to 13.3%.

Natural Gas

The output of natural gas during 1959 passed the billion cubic meter mark. In exact figures, it amounted to 1,128,000,000 cubic meters as against 820 million the year before. The increase amounted to 37.5%. (One cubic meter equals 1.308 cubic yards. Ed.)

THE 1959 STEEL PICTURE

Raw steel production in 1959 amounted to 2,520,000 tons or 5.3% more than in 1958. It even exceeded the previous high of 2,509,000 tons achieved in 1957.

The increase was due primarily to the activation of a second LD steel plant by VOEST (United Austrian Steel) last August. The additional output was fully absorbed by domestic steel processors.

Pig iron production amounted to 1,840,000 tons in 1959 and was 1.2% higher than in the previous year, but less than the 1,960,000 tons produced in 1957. The increase in the 1959 production was also absorbed domestically. Exports fell from 238,000 tons in 1957 to about 70,000 tons in 1959.

Rolled steel products totalled 1,720,000 tons in 1959 as compared with 1,628,000 tons in 1958 and 1,587,000 tons in 1957. Exports in 1959 amounted to 900,000 tons, about 120,000 tons more than in the previous year. Orders on hand will keep the rolling mills working at capacity throughout 1960.

The machinery industry concentrated on plant improvement last year to be in a better position to meet the situation created by European economic integration. About 27% of Austrian machinery exports go to the EEC nations and 8% to members of the EFTA. The number of orders has been rising throughout last year and enough are on hand to keep the industry working for many months.

AUSTRIAN INFORMATION

may be quoted freely.

Source need not be given.

RECORD RECEIPTS

FROM FOREIGN TOURIST TRAFFIC IN AUSTRIA

The tourist year of 1958-1959 set a new record for Austria. During the year which is counted from November, 1958 through October, 1959, foreign exchange receipts rose from 4,316,550,000 schillings (in the previous tourist year) to 5,214,680,000 schillings. (About 26 schillings equal one dollar. Ed.) If the currency spent by Austrians for travel abroad (1,056,240,000 as against 859,250,000 schillings in the previous year) is deducted, the result leaves a surplus of 4,158,440,000 schillings as against 3,457,300,000 schillings in the 1957-1958 tourist year. This amount is sufficient to cover Austria's total foreign trade deficit.

A breakdown of foreign exchange receipts from tourist traffic last season showed the West German mark first with 2,996,890,000 schillings as against 2,397,050,000 the year before. Second was the U.S. dollar, accounting for 703,480,000 schillings as against 634,320,000. Swiss francs with 481,940,000 (230,310,000) and British pounds sterling with 433,990,000 schillings (412,790,000) were next in line.

The increased foreign exchange receipts corresponded, of course, to the rising number of foreign visitors to Austria. During the year under study, total overnight registrations rose by 12.98%. French guests led with a 27.65% increase, followed by Belgium with 19.07% and West Germany with 17%.

Statistical Data on Austria

Foreign Trade
(Million Schillings)

| | Nov. 59 | Dec. 59 | Dec. 58 |
|---------------|---------|---------|---------|
| Imports | 2776 | 3043 | 2473 |
| Exports | 2217 | 2357 | 2027 |
| Balance | - 559 | - 686 | - 446 |

Industrial Production
(1937 = 100)

| | Oct. 59 | Nov. 59 | Nov. 58 |
|---------------------------|---------|---------|---------|
| Production of: | | | |
| Durable Goods | 394.8 | 390.9 | 349.6 |
| Non-durable Goods | 199.6 | 206.3 | 188.5 |
| Total | 288.4 | 290.7 | 263.5 |
| Employment | 182.9 | 182.7 | 180.9 |
| Labour Productivity | 157.7 | 159.1 | 145.6 |

Prices, Cost of Living

| | Nov. 59 | Dec. 59 | Dec. 58 |
|---|---------|---------|---------|
| Wholesale Price Index (March 1938 = 100) | 883 | 881 | 869 |
| Consumer Price Index (1958 = 100)* | 102.5 | 102.2 | — |

Employment
(per 1000 Persons)

| | Nov. 59 | Dec. 59 | Dec. 58 |
|---|---------|----------------------|---------|
| Employed | 2280.5 | 2221.6 ²⁾ | 2169.6 |
| Registered Unemployed | 91.9 | 150.2 ²⁾ | 175.1 |
| Unemployed drawing Public Assistance | 67.1 | 104.5 ²⁾ | 122.2 |

Austrian National Bank Holdings and Money Volume
(Million Schillings)

| | Nov. 59 | Dec. 59 | Dec. 58 |
|----------------------------------|---------|----------------------|---------|
| Note Circulation | 17,173 | 17,693 | 16,598 |
| Money Volume ¹⁾ | 39,402 | 38,949 ²⁾ | 36,868 |
| Gold Holdings | 7,509 | 7,530 | 5,007 |
| Foreign Exchange | 10,611 | 10,045 | 12,258 |

Deposits at Banks and other Credit Institutions
(Million Schillings)

| | Nov. 59 | Dec. 59 | Dec. 58 |
|------------------------|---------|----------------------|---------|
| Current Accounts | 20,926 | 20,199 ²⁾ | 18,731 |
| Savings Accounts | 26,430 | 26,820 ²⁾ | 21,254 |

Development of Credit Volume
(Million Schillings)

| | Nov. 59 | Dec. 59 | Dec. 58 |
|--|---------|----------------------|---------|
| Commercial Credits | 36,118 | 37,166 ²⁾ | 31,585 |
| Investment Credits out of: | | | |
| ERP Counterpart Funds.... | 6,476 | 6,461 | 6,839 |
| SAC ³⁾ -Funds | 338 | 346 | 311 |
| Total Amount of Credits Granted | 42,932 | 43,973 ²⁾ | 38,735 |

¹⁾ Including Current Accounts with Credit Institutions but excluding Interbank Accounts.

²⁾ Preliminary.

³⁾ Surplus Agricultural Commodities.

* The Consumer Price Index has taken the place of the Retail Price Index and Cost of Living Index published hitherto.

CANADA SHOWS AUSTRIAN ART FACSIMILES; AMBASSADOR WALDHEIM STRESSES CULTURAL EXCHANGE

Dr. Kurt Waldheim, Austrian ambassador to Canada, opened an exhibition of facsimiles from the Vienna Albertina (a world-famous art gallery) at the University of Ottawa March 21. The event was attended by leading personalities of the world of politics, culture and society. Many members of the diplomatic corps also witnessed the opening. In a brief welcoming address, the president of the University of Ottawa, Legare, mentioned the close cultural bond between Canada and Austria of which another proof, he said, was the Albertina exhibition.

Ambassador Waldheim pointed out that Austria which was most closely connected with the art of music had created great things also in other fields of art and science. This was shown, he said, by the many great art galleries in Vienna, among them the Albertina which is the largest of its kind in the world. Dr. Waldheim expressed the hope that the Albertina exhibition in Ottawa and other Canadian cities would contribute to a further deepening of Austro-Canadian cultural relations.

PENICILLIN PLANT FOR RUSSIA

A large plant for the production of penicillin was re-

cently shipped to the Soviet Union from Austria. Constructed by the firm of Grill & Grossman, it had been ordered last year by Russia during the Austrian Industries Exhibition in Moscow. The plant was valued at \$100,000.

VIENNA R.R. STATIONS MAKE ANNOUNCEMENTS IN THREE LANGUAGES

A new service for foreigners was recently announced by the Austrian Railway administration. In the main R.R. stations in Vienna, public announcements will be made in several foreign languages in addition to German. Effective with the coming tourist season, the public address system in the Westbahnhof will be served in English and French and that of the Suedbahnhof in English and Italian. In addition, the information booths in these stations will be manned by multilingual personnel.

THE AUSTRIAN INFORMATION SERVICE
may be able to furnish more detailed information
on any item printed in AUSTRIAN INFORMATION

AUSTRIA MARKS CENTENARY OF GUSTAV MAHLER'S BIRTH

The 100th anniversary of the birth of the great Austrian composer Gustav Mahler (June 7) is not just another holiday for the people of Austria and visitors from foreign countries. It's an almost year-round event which started last January and is expected to end no sooner than next December. During the anniversary year, almost all of Mahler's symphonic works will be performed by various orchestras and ensembles. Most of the concerts are held in Vienna, but a few will take place in Salzburg.

Several of the concerts have already taken place: On January 5, 6 and 7, the Vienna Symphony Orchestra under Josef Krips performed Mahler's First Symphony in the hall of Vienna Musikverein (musical society). On February 3 and 4, the same orchestra in the same hall played his Third Symphony under Hans Swarowsky with Ursula Boese as soloist.

Scheduled are the following events:

- Mar. 30 Vienna, House of the Austrian Broadcasting Corporation - "Das Klagende Lied", under Kurt Richter
- May 9 Vienna, Mozart Hall - Konzerthaus - Lieder (Songs), with Christa Ludwig and Walter Berry as soloists, accompanied by Erik Werba (piano)
- May 29 Vienna Musikverein Hall - Fourth Symphony (opening concert of the Vienna Festival Weeks), under Bruno Walter, with the Vienna Philharmonic Orchestra and Elisabeth Schwarzkopf as soloist.
- June 3 Vienna, Musikverein Hall - "Kindertotenlieder", under Heinz Wallberg, with the London Philharmonic Orchestra.

- June 10 Vienna, Musikverein Hall - "Lieder eines fahrenden Gesellen", under Joseph Keilberth, with Hermann Prey as soloist
- June 12 Vienna, Musikverein Hall - Fifth Symphony, under Karel Ancerl, with the Prague Philharmonic Orchestra
- June 18 Vienna, Musikverein Hall - "Das Lied von der Erde", and 19 under Herbert von Karajan, with the Vienna Philharmonic Orchestra
- June 19 Vienna, Musikverein Hall - Eighth Symphony, under Joseph Keilberth
- June 22 Vienna, Musikverein Hall - Ninth Symphony, (Festival Concert) under Jascha Horenstein, with the Vienna Symphony Orchestra
- Aug. 28 Salzburg - Eighth Symphony, under Dimitry Mitropoulos, with the Vienna Philharmonic Orchestra.

A special lecture on Mahler will be given by Professor Theodor W. Adorno of Frankfurt-on-Main. Date and place will be announced.

An exhibition devoted to "Gustav Mahler and his Time" will open in Vienna on May 30.

Among the Mahler symphonies performed during the anniversary year are all but two, the Sixth and Seventh. The promoters of the anniversary concerts hope to be able to arrange for performances of these two works during the latter part of the year. Neither is played very frequently in the world's concert halls. The Sixth Symphony is available, however, in a recording conducted by Joseph Gielen. A recording of the Seventh Symphony is now in preparation under Winfried Zillich.

AUSTRIAN INFORMATION

PUBLISHED BY THE

AUSTRIAN INFORMATION SERVICE

31 EAST 69th STREET • NEW YORK 21, N.Y. • TELEPHONE: LEHIGH 5-4120

Princeton University
Library - periodicals div.
Princeton, N.J.